(5) Supports State and local governments by discouraging the reauthorization or creation of any planning organization which is federally-funded, which has a limited purpose, and which is not adequately representative of, or accountable to, State or local elected officials.

(Authority: 42 U.S.C. 4231(b))

# § 40.5 Federal interagency coordination.

The Secretary, to the extent practicable, consults with and seeks advice from all other substantially affected Federal departments and agencies in an effort to assure full coordination between such agencies and VA regarding programs and activities covered under these regulations.

(Authority: 42 U.S.C. 4231(b))

## § 40.6 Selection of programs and activities.

- (a) A State may select any program or activity published in the FEDERAL REGISTER in accordance with §40.3 of this part, for intergovernmental review under these regulations. Each State, before selecting programs and activities shall consult with local elected officials.
- (b) Each State that adopts a process shall notify the Secretary of the VA's programs and activities selected for that process.
- (c) A State may notify the Secretary of changes in its selections at any time. For each change, the State shall submit to the Secretary an assurance that the State has consulted with local elected officials regarding the change. The VA may establish deadlines by which States are required to inform the Secretary of changes in their program selections.
- (d) The Secretary uses a State's process as soon as feasible, depending on individual programs and activities, after the Secretary is notified of its selections.

(Authority: 42 U.S.C. 4231(b))

# §40.7 Communicating with State and local officials concerning VA's programs and activities.

The Secretary provides notice to directly affected State, areawide, re-

gional, and local entities in a State of proposed Federal financial assistance or direct Federal development if:

- (a) The State has not adopted a process under the order; or
- (b) The assistance or development involves a program or activity not selected for the State process.

This notice may be made by publication in the FEDERAL REGISTER or other appropriate means, which VA in its discretion deems appropriate.

(Authority: 42 U.S.C. 4231(b))

#### § 40.8 Commenting on proposed Federal financial assistance and direct Federal development.

- (a) Except in unusual circumstances, the Secretary gives State processes or State, areawide, regional and local officials and entities at least 60 days from the date established by the Secretary to comment on proposed direct Federal development or Federal financial assistance.
- (b) This section also applies to comments in cases in which the review, coordination, and communication with VA have been delegated.
- (c) Applicants for programs and activities subject to section 204 of the Demonstration Cities and Metropolitan Act shall allow areawide agencies a 60-day opportunity for review and comment.

(Authority: 42 U.S.C. 4231(b))

# § 40.9 Comment receipt and response to comments.

- (a) The Secretary follows the procedures in \$40.10 if:
- (1) A State office or official is designated to act as a single point of contact between a State process and all Federal agencies, and
- (2) That office or official transmits a State process recommendation for a program selected under § 40.6.
- (b)(1) The single point of contact is not obligated to transmit comments from State, areawide, regional or local officials and entities where there is no State process recommendation.
- (2) If a State process recommendation is transmitted by a single point of contact, all comments from State, areawide, regional, and local officials

§ 40.10

and entities that differ from it must also be transmitted.

(c) If a State has not established a process, or is unable to submit a State process recommendation, State, areawide, regional and local officials and entities may submit comments either to the applicant or to VA.

(d) If a program or activity is not selected for a State process, State, areawide, regional and local officials and entities may submit comments either to the applicant or to VA. In addition, if a State process recommendation for a nonselected program or activity is transmitted to VA by the single point of contact, the Secretary follows the procedures of §40.10 of this part.

(e) The Secretary considers comments which do not constitute a State process recommendation submitted under these regulations and for which the Secretary is not required to apply the procedures of §40.10 of this part, when such comments are provided by a single point of contact, by the applicant, or directly to the VA by a commenting party.

(Authority: 42 U.S.C. 4231(b))

#### §40.10 Making efforts to accommodate intergovernmental concerns.

- (a) If a State process provides a State process recommendation to VA through its single point of contact, the Secretary either:
  - (1) Accepts the recommendation;

(2) Reaches a mutually agreeable solution with the State process; or

- (3) Provides the single point of contact with such written explanation of the decision, as the Secretary in his or her discretion deems appropriate. The Secretary may also supplement the written explanation by providing the explanation to the single point of contact by telephone, other telecommunication, or other means.
- (b) In any explanation under paragraph (a)(3) of this section, the Secretary informs the single point of contact that:
- (1) The VA will not implement its decision for at least ten days after the single point of contact receives the explanation; or
- (2) The Secretary has reviewed the decision and determined that, because

of unusual circumstances, the waiting period of at least ten days is not feasible.

(c) For purposes of computing the waiting period under paragraph (b)(1) of this section, a single point of contact is presumed to have received written notification five days after the date of mailing of such notification.

(Authority: 42 U.S.C. 4231(b))

#### § 40.11 Interstate.

- (a) The Secretary is responsible for:
- (1) Identifying proposed Federal financial assistance and direct Federal development that have an impact on interstate areas:
- (2) Notifying appropriate officials and entities in States which have adopted a process and which select VA's program or activity.
- (3) Making efforts to identify and notify the affected State, areawide, regional, and local officials and entities in those States that have not adopted a process under the order or do not select VA's program or activity;
- (4) Responding pursuant to §40.10 of this part if the Secretary receives a recommendation from a designated areawide agency transmitted by a single point of contact, in cases in which the review, coordination, and communication with VA have been delegated,
- (b) The Secretary uses the procedures in §40.10 if a State process provides a State process recommendation to VA through a single point of contact.

(Authority: 42 U.S.C. 4231(b))

### §40.12 [Reserved]

## §40.13 Waiver.

In an emergency, the Secretary may waive any provision of these regulations.

(Authority: 42 U.S.C. 4231(b))

## PART 41—AUDITING REQUIREMENTS

41.1 Purpose. 41.2—41.4 [Reserved]

41.5 Definitions.

41.6 Scope of audit.

Frequency of audit.

41.8 Internal control and compliance reviews.